

Minutes of the 37th Meeting of Sheffield Health and Social Care NHS Foundation Trust's Council of Governors held on Thursday 30th April 2015 in the Mayfield Suite Trust Headquarters, Fulwood House, Old Fulwood Road, Sheffield S10 3TG

16th July 2015
Item No 3

Present:

Name	Governor Constituency	Name	Governor Constituency
Professor Alan Walker CBE	Trust Chair	Tyrone Colley	Service User
Brandon Ashworth (left at 15:55)	Public SW	Sarah Burke	Service User
John Buston	Public NW	Dean Chambers (left at 14:55)	Service User
Dorothy Cook	Public SE	Dan Creber	Staff (Social Work)
Rosemary de Ville	Public SW	Ian Downing	Carer
Joan Davies	Staff (Psychology)	Abbey George	Young Service User and Carer
Elaine Hall	Staff (AHP)	Sylvia Hartley	Public NW
Sue Highton (left at 17:05)	Staffside	Joan Healey (left at 17:05)	Appointed (SHU)
Diane Highfield	Staff (Clinical Support)	Gill Holt (left at 16:50)	Carer
Cllr Adam Hurst	Appointed	Dani Hydes	Staff (Central Support)
Jules Jones	Public SE	Pat Molloy	Service User
Dr Paul Miller	Staff (Medical & Clinical)	Toby Morgan	Service User
Dr Abdul Rob (left at 16:50)	Appointed (PMC)	Sue Roe	Carer
Celia Jackson-Chambers	Appointed (SACMHA)	Lorraine Ricketts	Public NE
John Kay	Lead Governor/Service User	Cllr Josie Paszek	Appointed (SCC)
Dr Leigh Sorsbie (left at 16:00)	Appointed (CCG)	Nev Wheeler OBE	Service User
Bridget Strong (left at 16:55) (proxy for Teresa Barker – no voting rights)	Appointed (Age UK)		

Apologies:

Name	Governor Constituency	Name	Governor Constituency
Afrah Alkheili	Public NE	Janet Sullivan	Appointed (Sheffield MENCAP)
Angela Barney	Carer	Rosie McHugh	Board Secretary
Cllr Roger Davison	Appointed	Russell Shepherd	Service User
Dr Debjani Chatterjee MBE	Service User	Vin Lewin	Staff (Nursing)
Enos Mahachi	Staff (Support Work)		

In Attendance:

Name	Role	Name	Role
Ann Stanley	Non-Executive Director	Karen Jones	PA to Chair
Anthony Clayton	Non-Executive Director	Kevan Taylor	Chief Executive
Clive Clarke	Deputy Chief Executive	Mervyn Thomas	Non-Executive Director
Cllr Mick Rooney	Non-Executive Director	Sam Stoddart	Deputy Board Secretary
Faye Mellors	Membership Officer	Susan Rogers MBE	Deputy Chair/NED
Jason Rowlands	Director of Planning, Performance & Governance		

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COG37/1	Apologies and Welcome The Chair opened the meeting and commenced with the preliminaries. He apologised for the extra 15 minutes added to the meeting and the	

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	<p>postponement of the Board and Council session on 7th May, 2015. Unfortunately this is postponed due to capacity issues but will be rearranged for June after the CQC Quality Summit has been held. New date to follow. Eight apologies were received from governors.</p> <p>The Chair welcomed new governors, Sarah Burke and Toby Morgan (service user governors), Bridget Strong (appointed governor Age UK) who is deputising for Teresa Barker and Barbara Bell (public governor for the rest of England). There will be a bi-election for vacancies that were not filled in the election.</p> <p>The Chair issued a reminder to governors to complete and return any outstanding declaration and code of conduct forms as soon as possible. He reminded everyone of the joint training session with Board and Beachcrofts on governance relationships on 23rd July, 11.30 am to 2.30 pm in the Mayfield Suite. Please make sure this date is in your diary.</p>	<p>(arranged for 25/6/15)</p> <p>All to note</p>
COG37/2	<p>Declaration of Interest No declarations were made.</p>	
COG37/3	<p>To receive and approve the minutes of the Extraordinary Council of Governors' meeting held on 13th March, 2015 The minutes were accepted as a correct record.</p>	Agreed
COG37/4	<p>Matters arising from the meeting held on 13th March 2015 COG36/5 with regard to Audit, Jules Jones and Ann Stanley had agreed that the governors should be provided with additional audit training. Sam Stoddart had looked into this and found it can be provided free of charge. This can go ahead and more information will follow.</p>	All to note
COG37/5	<p>It was agreed to move on to Item 8. For continuity purposes items will be recorded under the corresponding agenda numbers.</p> <p>Performance Report Jason Rowlands attended and introduced the Monthly Performance Report for the period to the end of February 2015. Jason provided a summary of the report. He started by highlighting all achieved year end targets. He reported an increase in delayed discharge in adult in-patients. This will be monitored and is a result of bureaucracy around funding after care arrangements and should be easier when social care is in place. We are unable to discharge if the right kind of care is not available or if the person needs to receive both health and social care funding. Also Jason mentioned the extensive work programme around restricted practices, seclusion, etc. and had asked Rachel Warner to present on this topic at a future Council meeting. He reported that Katy Kendall, Clinical Director and Paul Nicholson, Assistant Service Director had attended the recent Performance Overview Group to discuss Community Mental Health issues in more detail with governors.</p> <p>Dorothy Cook asked Jason if the Trust works with housing. Jason said we have developed partnerships with South Yorkshire Housing Association and are working together to return any out of town service users. IAPT are also working with housing associations to advise and train on working with mental</p>	

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	<p>health service users.</p> <p>Jules Jones referred to page 4 of the report and asked about numbers entering IAPT and how these were beating the new targets. She wished to know what the Board was doing to readdress this with the CCG. Jason said this is a contracting issue and difficult to set targets. If demand goes up we get more referrals.</p>	
COG37/6	<p>Quality Account 2014/15</p> <p>Jason Rowlands presented a draft copy of the Quality Account report. This was in draft form as the detailed full year data was not yet available. Data within the report provides national comparisons. In summary he reported that the Trust performed ‘average’ in relation to the Patient Survey. Staffing data was generally balanced and positive.</p> <p>Brandon Ashworth asked if the significant increase in incident numbers, locally and nationally, were a result in the change in nature of clientele. Kevan Taylor said that this was hard to benchmark. Kevan explained that an increase in incident reporting is not always bad and could just be the change in how data is collected, or that staff are being encouraged to report incidents. Jason emphasised that client complexity can often increase the number of incidents. Numbers also increase from the reporting of insignificant incidents. Jason finished by saying that he would be looking at medication incidents, which have increased. In summary he concluded that the report is clearly influenced by relationships, economy, service cuts and pressures. The final Quality Account report will be published in advance of the Quality Summit.</p> <p>Governors will receive the Auditor’s report on the quality accounts at the July Council meeting.</p>	All to note
COG37/7	<p>Annual Planning</p> <p>Jason Rowlands spoke briefly to his presentation and gave a quick update on the Trust’s annual plan. The final version was in the process of editing. The plan outlines the Trust’s actions, priorities and development plans with the aim of improving service quality. Once finalised, governors will be furnished with a copy.</p>	All to note
COG37/8	<p>Non-Executive Director (NED) recruitment process and Board succession planning.</p> <p>The Chair requested that the NEDs present leave the meeting for this item. The Chair asked the Council of Governors to receive and approve the following submissions.</p> <p>8a) Board Succession Planning</p> <p>To receive and approve a proposal to secure appropriate succession planning to the board, to increase the tenure of NEDs, approve a variation to the terms of appointment for Mick Rooney and approve the skills required of future NED appointments</p> <p>The governors received papers from the Nomination and Remuneration Committee (NRC). The NRC had looked at the process</p>	

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	<p>and made recommendations including;</p> <ul style="list-style-type: none"> - Amend the tenure of a Non-Executive Director in future to a 4 year term instead of 3 years. - Stagger the appointments of Non-Executive Directors to ensure continuity. <p>The new terms and conditions have been amended to reflect NRC discussions and to ensure compliance with new fundamental standards. Council are asked to approve the terms and conditions for future Non-Executive Director appointments.</p> <p>Pat Molly expressed his concern over continuation of current Board members verses new Board members and the how this could be detrimental at the expense of fresh blood/minds and preferred to keep the NED tenure at 3 years. The Chair explained how this decision was not unanimous at NRC but was a majority decision and one that will ease turnover. Pat continued that this was a balancing exercise and stagnation is not good. The Chair hoped that the new process would move more smoothly with a constant series of appointments. Sam Stoddart said that there wouldn't be any stagnation as the new process will see new appointments every year, following 1, 1, 2, 1 pattern. Jules Jones said that the NRC members' rational to maintain NEDs was that they make more impact after they have got up to speed.</p> <p>Pat asked how many NEDs go for another term. The Chair said that most do re-apply.</p> <p>Brandon Ashworth gave his full endorsement to the proposal and said this was the best option and prevents the danger of a de-stabilised board. Celia Jackson-Chambers asked how this year's issue would be avoided in the future. The Chair said that this won't happen and planning beyond 2016 would ensure that there is only a maximum of two appointments in any one year, and reminded members that Council held the final decision. However we cannot plan for unforeseen circumstances such as a NED leaving. Adam Hurst showed his support and said that although we don't want the Board to be destabilised we do need the existing experience and this proposal reduces any risk. Pat acknowledged that arguments were mainly in favour but asked John Kay why he didn't agree. John Kay said he didn't agree with the 4 year term and was worried about how the Chief Executive would cope with the 2016 loss of possibly two NEDS and the Chair. Kevan Taylor said that although this is an issue he was happy with the NRC's decision and confident that this was the best fit. Ian Downing asked fellow governors to show their trust in the committee and accept the decision.</p> <p>John Buston asked about the NED skills required of NEDs. The Chair responded that this had been discussed by the Board who had agreed that it would be desirable for NEDs to have a clinical background and/or a lived experience as a service user or carer. The job</p>	

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	<p>description and person specification had been amended to reflect this.</p> <p>The Chair advised that two of the three NEDs with terms ending this year would be extended for a further year (as part of the Board succession planning process). In order to secure an extension, the NEDs will have to go through an interview process. The outcome of this will be to ensure that the next NED appointments will be staggered. The Chair asked the governors if this was acceptable and they agreed.</p> <p>The Chair stated that the Sheffield City Council NED position term was due to end on 30th April and following discussions with SCC the Council is being asked to approve a three-month extension in order to allow the Trust to seek further nominations from the Local authority. This was agreed unanimously.</p> <p>Finally, the governors were asked to vote to approve the proposal to secure appropriate succession planning to the board, increase the tenure of NEDs, approve a variation to the terms of appointment for Mick Rooney and approve the skills required of future NE. The vote was unanimously in favour of accepting the proposal.</p>	<p>Approved</p> <p>Approved</p> <p>Approved</p>
	<p>8b) Job description and person specification</p> <p>The Chair explained how the NRC had considered the person specification of NEDs and had recommended an additional two criteria; has service user/carer experience and clinical experience. Jules Jones highlighted a typographical error in paper; where it refers to service user and carer experience and clinical experience – it reads like it is a requirement to have both attributes which is not the case. It should be either or. Sam Stoddart agreed to change the wording to prevent any confusion and reflect Council’s agreed decision. The Chair asked Council to approve the NED role description and person specification. This was duly agreed.</p>	<p>Sam Stoddart</p> <p>Agreed</p>
	<p>8c) Terms and Conditions</p> <p>The Chair asked Council to agree to the amended NED terms and conditions which take into account changes in law and guidance. This was duly agreed.</p>	<p>Agreed</p>
	<p>8d) NED Recruitment Process</p> <p>Samantha Stoddart shared a paper detailing the NED recruitment process for Council approval. She explained how the NRC and Board had worked together on the process to address issues inline with good practice. During the interview process each candidate will be asked to present on a topic selected by Council and governors will have the opportunity to participate in the process. Pat Molloy asked if this process was mandatory. Sam said the process was not mandatory. It is being done for the first time to reflect newly published good practice guidance, but if NRC and Council are not happy with it or it doesn’t work well then it can be changed.</p>	

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	<p>The Chair said the recruitment would be undertaken in-house initially to save on external costs. However, as detailed in the paper, additional phases will come into force if it is felt that one phase does not result in a sufficient number of acceptable candidates.</p> <p>Brandon Ashworth asked what the criteria is for suitable candidates, and who decides on the number of applicants. The Chair advised that numbers are unknown but the NRC will make this decision on suitable candidates based on the job description and person specification. The Chair then asked if Council was happy with the proposed process. This was duly agreed.</p>	Agreed
COG37/9	<p>Establishment of New Operating Company</p> <p>Clive Clarke gave a brief slide presentation on the establishment of a new operating company and selected headlines for discussion. He explained the national context of more contracts being awarded to the private/independent sector and that £20million of business will be put out to tender in the next 12 months. He added that the Trust had won some contracts but lost others and wherever a contract is lost there is an impact.</p> <p>Why: The need to establish this operating company is driven by the tendering processes and changes in the commissioning landscape, and to counter the impact of losing contacts. The Trust was successful in the Substance Misuse tender, but lost out in other areas. Where the Trust has been unsuccessful it has been because of cost and the new company could provide more competitive costings. It will still focus on quality but at lower prices.</p> <p>How: As an NHS Foundation Trust we are restricted and have difficulty in tendering for some contacts and are not allowed to tender for others, including GMS (i.e. General Practices). The establishment of this ‘dormant’ operating company would allow us to tender for such contacts and be more competitive and flexible. SHSC would be the controlling (and only) shareholder and a memorandum of understanding between SHSC and the company would be drawn up. We would look at providing good quality services but cheaper. Protection and safeguards would be in place to ensure that this company follows the same values and principles of SHSC.</p> <p>When: It is hoped that the company would come into operation on the 1st July 2015 but will remain dormant until it begins to tender for business.</p> <p>Clive opened up the floor to questions.</p> <p>Rosemary de Ville asked for an explanation on the financial implications. If this new company is viable, then fine but what if it goes into the red – who picks this up? She added that she hoped the company would not be subsidised from the Trust’s surpluses.</p> <p>Clive explained that during year one, SHSC will be expected to fund the start-up costs of £90k. It was hoped that the company would quickly become self-funded within one to two years. Rosemary added that in light of this, it’s a risk.</p>	

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	<p>Pat Molly asked Clive to explain the process of how the company comes out of 'dormancy' and if Council is expected to have final say today on giving Company 'the green light'?</p> <p>Clive said the company is being set up now and will go to Board for finalisation. The council will be given updates on the new company's performance through the normal reporting mechanisms.</p> <p>The Chair wished to add that the Board does not need the Council's authorisation on this matter and that Council do not have the final say unless it is a significant transaction.</p> <p>Pat asked if setting this company up in this nature was motivation for borrowing money. The Chair answered no; there is no motivation in this.</p> <p>Pat continued questioning by asking about the advantages mentioned by Clive of the new company providing primary care services. Clive responded that we can could take a more holistic approach and provide more integrated care. Kevan said we only took on practices, like Clover, that are struggling and unable to carry on without assistance. The Chair added that this would help when looking at the integration of primary and secondary care.</p> <p>ClIr Adam Hurst said that Clive mentioned competition, and although cynical about privatisation, asked what the new company was offering in terms of quality. Clive said that the private sector is motivated by profit and that the new operating company could offer greater flexibility because of its link to the trust and the infrastructure and experience that it provides.</p> <p>Dr Paul Miller was concerned with the company's 'dormancy' when he assumed that the Trust planned to use the company. He asked how the Trust will determine whether it or the new company bid for contracts. Kevan said it would depend on the nature of the service and that that not all tenders would go though the new company.</p> <p>John Kay asked if governors would be able to see copies of the documentation mentioned in Clive's slide (articles of association and memorandum of understanding). Clive agreed but pointed out the memorandum of understanding was not yet finalised. He also asked that NEDs were given sufficient time to consider and debate the pros and cons of setting up a new company.</p> <p>Jules Jones queried the names suggested for the new company and would like Seven Hills rejected as this is too close to an existing company. She then queried who would have the moral responsibility if debts arise in the new company.</p> <p>Dan Creber wished to know if clinical staff would transfer under agenda for change conditions. Clive said that the new company can agree terms and conditions but there is no automatic right to agenda for change. Sue Highton asked if the new company would adhere to the living wage and if TUPE would apply should any services transfer to the new company.</p>	

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	<p>Clive explained that the Board had adopted the living wage policy and that he couldn't imagine that the same wouldn't apply in the new company. Should any staff transfer to the new company following success in tendering, they will be subject to TUPE.</p> <p>Toby Morgan asked if the new company would be governed under CQC. Clive said the new company was not a compromise on quality and would be subject to CQC registration and inspection.</p> <p>Clr Josie Paszek said that she could not see how the new company could offer lower costs if staff have to be TUPEd to it under the Trust's terms and conditions. Clive referenced the Clover Group and how it was being tendered in the autumn. He said that if successful, TUPE would apply but at some point the service could be market tested to see if it was paying over the odds and it could make changes.</p> <p>Sylvia Hartley asked if the new company would be none profit, self supporting and not a drain on SHSC. Clive said it was a legally arms length company.</p> <p>Bridget Strong asked if this had been done before, ie NHS Trusts setting up separate companies. Clive answered yes within the local acute trusts.</p> <p>The Chair expressed that this was a skeleton plan and had got to go back to Board but was inevitable in the current market and left us with no choice. It is in the interest of the Trust and the people of Sheffield.</p> <p>Clr Hurst wished to know what was being asked of Council and if Board had the overall decision.</p> <p>The Chair said that although Board held the overall decision he hoped that this would be done in tandem with the Council's support and promised to keep Council fully informed.</p> <p>The governors asked to vote in order to make clear their view on the new company. This was duly carried out 19 governors in favour, 1 against and 4 abstentions.</p>	
COG37/10	<p>CQC Inspection</p> <p>Kevan Taylor presented a summary of the CQC inspection results. In context he explained the background and how in past years the Trust had been fully compliant after every inspection. However in 2014 the system changed. In October last year the Trust was visited for a week en-mass by the CQC. During this week some services were visited by Social Care Inspectors but not all. After these visits the inspectors meet with the Trust and overall their feedback at the time was good with only four areas of any concern. The following was actioned right away:</p> <ul style="list-style-type: none"> • An action plan to address 7 day turnaround issues was put in place at ISS, Fir shall Rise. • Additional staff were put in place to address their issues with Place of Safety at Longley. • People were moved to more suitable places to address their needs at 	

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	<p data-bbox="411 197 576 230">Forest Lodge.</p> <p data-bbox="316 264 1246 790">Kevan said how the draft report was delayed and not received until April this year. On receiving this report we made 200 challenges to its accuracy. The report showed that we had areas of good practice but some that needed improvements. The overall rating given was 'Requires Improvement'. This is not the result we were hoping for and our challenges are probably not sufficient to change this. Kevan displayed results for each of the sites/services inspected and spoke of the positives and negatives. Kevan explained how the Trust will take onboard the CQC's comments but will put a response to them which may result in a shift in scoring. Kevan gave reassurance that by the time the CQC Quality Summit is held on the 4th June the vast majority of issues will have been tackled and resolved. He reminded everyone that the scores were not in the public domain as yet and that a longer session with the Council of Governors will be arranged for after the Summit to discuss further. The Chair thanked Kevan for his presentation and opened the floor to questions.</p> <p data-bbox="316 835 1246 1182">Jules Jones said the Requires Improvement rating is damaging and asked how we display this rating. Rosemary de Ville asked how long the overall rating will last. Kevan said that unfortunately this could last until another inspection in three years times, during which time we are required to display our rating at sites. He went on to say that obviously this could affect the public's confidence in us and how service users and their loved ones view us. Kevan said the Trust would argue strongly for re-inspection. Adam Hurst said yes it hurts reputationally but it is more important to ensure that good robust governance is in place to provide sustainability and then let the CQC come back in its own time.</p> <p data-bbox="316 1227 1246 1294">John Kay asked that Council be kept up to date on the process. Kevan agreed to provide governors with details of action taken.</p> <p data-bbox="316 1339 1246 1473">Sue Highton wished to say how staff worked really hard for the CQC's visit and how the results have affected their morale making many feel low and devalued as a result. She wished to know if it was part of the action plan to keep morale high.</p> <p data-bbox="316 1518 1246 1619">Kevan said how under the caring scores results received were mostly good and that not to dwell on the overall results. The Chair gave his reassurance that Board had discussed its response to staff.</p> <p data-bbox="316 1664 1246 1832">Toby Morgan asked if there was for scope for '15 Steps' to assist in moving progress forward. Kevan said that 15 Steps volunteers would not pick up on the areas which CQC inspect, for example they wouldn't check fridge temperatures of fire alarms. We need teams in place to ensure policies and procedures are carried out correctly and adequately.</p> <p data-bbox="316 1877 1246 1977">Tony Clayton stated that ISS was reviewed by the CQC two years ago and that they found the service fantastic but not the building and now they are in a brand new purpose build facility. It questions validity.</p> <p data-bbox="316 2022 1246 2045">The Chair rounded up the questions and said that the Trust would take on</p>	

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	and address the comments, make any changes necessary now and reputation will follow. More details to follow in the full session.	
COG37/11	<p>Chief Executive Update Time for this item incorporated in COG37/10.</p>	
COG37/12	<p>Governor Feedback</p> <p>(a) Governor Feedback The Chair thanked the governors who had provided feedback and commented on the excellent content. Toby Morgan added additional information to his initial feedback on providing MH awareness training to SCC housing staff. He reported he had received a reply from Josie Bennett and she had agreed that MH training could be incorporated in to the training programme of housing staff.</p> <p>(b) Governor Focus Conference Jules Jones provided feedback from the Inaugural National Governor’s Conference she had attended. She was pleased to report that SHSC are doing well on how Council and Board interact and that this in now always the case in other Trusts.</p> <p>(c) Board Questions Feedback from Board questions. The Chair considered this covered.</p> <p>(d) Performance Overview Group Jules Jones took the opportunity to encourage the attendance of governors at POG. She said it was useful and constructive meeting that gave governors the opportunity to discuss the reports received at COG in more detail.</p>	
COG37/13	<p>Any Other Business</p> <p>(a) Lead Governor: for Council vote The Chair informed everyone that John Kay was stepping down from his role as Lead Governor and on behalf of the Council of Governors thanked John very much for his support. The Chair also thanked John for all his hard work; for his sturdy and dependable nature and for his tremendous support through difficult times. It was down to the Chair to declare the results of the earlier vote to elect the new Lead Governor. The results were Jules Jones won with a majority of 24 to 6. The Chair passed his congratulations to Jules on her success and closed the meeting.</p>	
	The Chair drew the meeting to a close and thanked everyone for their contributions and patience during the extended meeting.	

Signed: Date:.....